



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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October 13, 2020

Mr. Morgan Gire, District Attorney
Placer County District Attorney's Office
10810 Justice Center Drive, Suite 240
Roseville, CA 95678

Re: Transfer of Accountability of the District Attorney's Office Assets

Dear Mr. Gire:

The purpose of our review was to determine whether there has been a proper transfer of accountability of the assets under the control of the former District Attorney, Scott Owens, to the new District Attorney, Morgan Gire. During our review, we made inquiries with District Attorney's Office personnel, physically verified capital assets and non-capitalized equipment, verified imprest cash balances for petty cash and non imprest cash balances for stamp funds, and reviewed financial assets and related documentation as of December 30, 2019 and April 7, 2020.

As a result of our review, we have determined the accountability of assets of the District Attorney's Office (Office) has been properly transferred.

The funds and cost centers included in our review are listed in Attachment A.

However, during the course of our review, we noted other areas where internal controls could be strengthened. Accordingly, our observations and recommendations are as follows:

Lack of Fiduciary Fund Monitoring Activities

During our review, we noted the Office does not actively monitor one of the fiduciary funds under their responsibility, thus the Office cannot ensure there has been no unusual activity occurring within this fund. Except for accruing interest, the Office does not monitor Fund 31036 because the fund has not been utilized by the Office since fiscal year 2016-17.

Per the Accounting Policies and Procedures Manual - Custodial Fund Accounting: "The Department Head has the following responsibilities for all custodial funds assigned to the department... (1) Maintain subsidiary records sufficient to support the ownership of all assets of

the custodial funds. (2) Once a fund becomes inactive, it is the responsibility of the custodial Department Head or authorized representative to notify the Auditor-Controller's Office in writing that the fund is no longer needed and should be closed."

We recommend the Office establish continuous monitoring procedures for all fiduciary funds under their responsibility to ensure no unusual activity occurs. Also, we recommend the Office review and evaluate any inactive funds to determine whether the funds should be dissolved, and the remaining amounts distributed accordingly. See Attachment A for the list of fiduciary funds under the District Attorney's Office responsibility.

Office Response:

The District Attorney's Office has taken the necessary steps to properly identify and assess the basis of fund FD31036. The Office will add this fund to its active list of trust funds, and will continue to monitor and keep adequate and up to date records of the trust fund moving forward.

For the following observations and recommendations, we did not obtain the Office's responses because the Office implemented our recommendations for the observations during the course of our review.

Missing Capital Asset

During our review of the Office's capital assets, we identified an instance where the Office was unable to locate the Capital Asset #31541, Trimble Surveying Instrument (s/n: D051372) with net value of \$2,166.94.

We recommend the Office submit an Accountability Release memorandum for the Fixed Asset #31541 Trimble Surveying Instrument (s/n: D051372), to Andrew Sisk, Auditor-Controller, requesting a release from accountability for the capital asset.

During the course of the review, the Office submitted an Accountability Release memorandum to the Auditor-Controller requesting the removal of the Trimble Surveying Instrument.

Missing Capital Asset Identification Tag

During our physical inspection of the Office's capital assets, we noted the following assets did not have a capital asset identification tag affixed to the asset as required by Section 6 - Tagging Procedures of the Placer County Policies and Procedures Guide for Capital Assets (Guide):

Fixed Asset #31602 Focus 3D Scanner (s/n: unknown)

Fixed Asset #31338 Forensics Computer (s/n: unknown)

Fixed Asset #31783 Desktop Computer System (s/n: unknown)

Fixed Asset #31987 HP DesignJet (s/n: CN9718H005)
Fixed Asset #30919 Interviewing Recorder (s/n: unknown)

We recommend that the Office follow the Tagging Procedures per Section 6 of the Guide and have a capital asset identification tag assigned and affixed to the assets (#31602, #31338, #31783, #31987, #30919). Going forward, when a capital asset identification tag is discovered to be missing or defaced beyond recognition, we recommend the Office follow the aforementioned procedures.

During the course of the review, the Office requested, and subsequently received, new asset tags and affixed the tags to the corresponding assets.

Non-Capital Assets

During our review, we noted the Office did not have a current methodology in place to track the Office's non-capital assets, such as cell phones, laptops, printers, etc., thus making it difficult to ensure all County property is accounted for and all issued property is returned upon separation of an employee.

We recommend the Office develop a process to track the Office's non-capital assets, such as cell phones, laptops, printers, etc., and ensure the non-capital asset listing remains current. We also recommend the complete record of the Office's non-capital assets include equipment details such as brand, make, model, serial number, asset number, or any other identifiable information that would be useful in identifying specific items to collect. We also recommend the Office utilize this record as part of the Office's exit checklist to ensure all issued property is returned upon separation of an employee.

During the course of the review, the Office developed a current listing of non-capital assets and in-office procedures to track and maintain the Office's non-capital assets.

Employee Exit Checklist

During our review, we noted the Office does not utilize any type of "employee exit checklist" or "returned property checklist", thus making it difficult to ensure all property is returned upon separation of an employee.

We recommend the Office follow best practices that states employers utilize some form of an "employee exit checklist" to ensure all required exiting procedures such as disabling building, computers and confidential data access, along with some form of a "returned property checklist", to ensure that all County issued property is returned before an employee separates from the Office.

During the course of the review, the Office developed an "employee exit checklist" that ensures all County owned property is returned upon separation.

Signature Authorization Forms

During our review of signature authorization forms, we noted the Office had not submitted updated signature authorization forms in a timely manner subsequent to the departure of the department head.

We recommend the Office update all necessary signature authorization forms whenever there are changes to authorized signers and submit the forms to the Auditor-Controller's Office in a timely manner.

During the course of the review, the Office submitted updated "Payroll Adjustments", "Payroll Pickup", and "Capital Asset Transfers" signature authorization forms.

The Department's responses to our recommendations identified by our review are included above. We did not audit their responses and, accordingly, we do not express an opinion on them.

We appreciate the courtesy and cooperation of the District Attorney's Office staff throughout the course of this review.

Respectfully,

A handwritten signature in blue ink, appearing to read 'Nicole C. Howard', with a stylized, flowing script.

Nicole C. Howard, CPA
Assistant Auditor-Controller

cc: David Tellman, Chief Assistant District Attorney
Lauren Featherstone, Administrative and Fiscal Officer II
Placer County Audit Committee

District Attorney's Office
Funds and Cost Centers
Attachment A

FUND	FUND TITLE	COST CENTER	COST CENTER TITLE
FD10100	Public Safety Fund	CC11001	District Attorney
FD10100	Public Safety Fund	CC11004	Human Trafficking Forfeiture Fund
FD10106	DEA Asset Forfeiture Federal Acct. 1	CC11008	DEA Asset Forfeiture Fed Acct 1
FD10107	Treasury Asset Forfeiture Federal Acct. 2	CC11009	Treasury Asset Forfeiture Fed Acct 2
FD10114	DA Recovery Fund - 371	CC11002	DA Recovery - DA
FD10114	DA Recovery Fund - 371	CC11011	Asset Forfeitures
FD10115	Asset Forfeitures Fund - 15%	CC11011	Asset Forfeitures
FD10116	B & P Code 17200 Penalties Fund	CC11012	172 Penalties
FD10117	B & P Code 17200 Cost Reimbursement Fund	CC11013	172 Cost Reimbursement
FD10150	Public Safety Fund Grants	CC11001	District Attorney
FD31033	DA Recovery Fund	CC11002	Trust Fund
FD31034	Board of Control Burial Grant Fund	CC11003	Trust Fund
FD31036	Human Trafficking Forfeiture Penal Fund	CC11004	Trust Fund
FD31604	Craig Thompson Trust Fund	CC11014	Trust Fund